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BEFORE THE ARIZONA CORPORATION COMMISSION

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2009 SEP 22 P 4: 52

Arizona Corporation Commission

DOCKETED

AE CORP COMMISSION
DOCKET CONTROL

SEP 22 2009



IN THE MATTER OF THE APPLICATION OF
ARIZONA ELECTRIC POWER
COOPERATIVE, INC. FOR A RATE
INCREASE.

DOCKET NO. E-01773A-04-0528

IN THE MATTER OF THE APPLICATION OF
SOUTHWEST TRANSMISSION
COOPERATIVE, INC. FOR A RATE
INCREASE.

DOCKET NO. E-04100A-04-0527

MOHAVE ELECTRIC COOPERATIVE,
INC.'S SUPPLEMENTAL FILING

On September 15, 2009 over the dissenting votes of Mohave Directors,¹ the AEPCO Board approved the Resolution attached hereto as Exhibit A ("Resolution"). The Resolution acknowledges its regulatory obligation to file a rate application on or before October 1, 2009 and authorizes a filing seeking \$4,618,861 in additional revenues from its Class A members on or before that deadline. Importantly, the Resolution further recognizes that the regulatory deadline had not enabled completion of a Rate Settlement on the complex rate design issues presented by the new member and load configuration of AEPCO and directed the committee (composed of representatives of AEPCO Staff and Class A Members) to continue its work on achieving a mutually satisfactory resolution of all issues by December 1, 2009. The Resolution implicitly recognizes that any rate filing made merely to meet the

¹ Mohave opposed the Resolution for the reasons set forth in this Supplemental Filing.

1 October 1, 2009 deadline is unnecessary and incomplete. This is because such a filing is
2 premature, is contrary to the existing RUS and Commission approved agreements and is
3 made prior to the complete resolution of the complex rate design issues confronting AEPCO.
4 The Resolution evidences that progress has been made in settling the complex rate design
5 issues but has yet to be incorporated in a Rate Settlement agreement that will amend the
6 existing contractual relationships and therefore will require both RUS and Commission
7 approval.

8 The foregoing Resolution is submitted as additional and further support of
9 Mohave's position that the rate filings in the above-referenced dockets must be delayed for
10 the reasons more fully set forth in its Motion.

11 DATED this 22nd day of September, 2009.

12 CURTIS, GOODWIN, SULLIVAN,
13 UDALL & SCHWAB, P.L.C.

14
15 By: 

16 William P. Sullivan
17 Michael A. Curtis
18 501 E. Thomas Road
19 Phoenix, Arizona 85012-3205
20 Attorneys for Mohave Electric
21 Cooperative, Inc.
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EXHIBIT A

New

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

The following resolution was adopted at a **regular session** of the Board of Directors of Arizona Electric Power Cooperative, Inc. (AEPCO), held in Safford, Arizona on September 15, 2009.

RESOLUTION

***WHEREAS**, the Arizona Corporation Commission (ACC) issued its Decision Order No. 68071 on August 19, 2005 requiring Arizona Electric Power Cooperative, Inc., (AEPCO) to file a rate application six months after Sulphur Springs Valley Electric Cooperative, Inc., (SSVEC) completed a full calendar year as a partial requirement member, or not later than five years after the effective date of this Decision, whichever is earlier; and*

***WHEREAS**, AEPCO requested and the ACC approved a three month extension to file the rate application extending the filing date from July 1, 2009 to October 1, 2009; and*

***WHEREAS**, the Management of AEPCO caused to be prepared, for the test year of April 1, 2008 through March 31, 2009, certain revenue requirement and rate design schedules, which have been reviewed with the Directors of AEPCO and which schedules, subject to final resolution of certain wage and retirement expense issues, result in an overall increase in AEPCO's annual operating revenue of \$4,618,861, representing a 2.77 percent increase in test year operating revenue; and*

***WHEREAS**, a number of rate design issues have been raised by certain Class A Members to be addressed in the upcoming rate filing and as a result the Board of Directors of AEPCO requested that a committee composed of representatives of AEPCO Staff and Class A Members address these issues; and*

***WHEREAS**, some of the aspects of the proposed Resolution to the rate issues are reflected in the current rate application, the committee has not yet completed a Rate Settlement Agreement whereby the Resolutions of all rate issues can be incorporated in the rate application in sufficient time to allow AEPCO to meet its regulatory filing deadline obligations;*

***NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors of Arizona Electric Power Cooperative Inc., hereby authorizes Management to file the rate application on or before the Arizona Corporation Commission stipulated deadline of October 1, 2009, such filing shall include the required schedules, testimony, applications and other items as may be necessary to satisfy the ACC rate application standards and to reflect a test year Class A Member revenue requirement increase of 2.77 percent or \$4,618,861; and*

BE IT FURTHER RESOLVED, that the rate schedules, testimony, applications and other items, including the 2.77 percent increase and the Class A Member annual revenue requirement of \$4,618,861 shall be subject to finalization and shall be adjusted upon the resolution of certain wage and retirement expense adjustments within the test year; and

BE IT FURTHER RESOLVED, that the committee's work shall continue and once completed the provisions of the Rate Settlement Agreement will be subject to AEPCO Board of Director approval prior to filing any modifications to the rate filing application with the ACC; and

BE IT FURTHER RESOLVED, the AEPCO Board of Directors acknowledges that, if the committee is unable to agree upon a Rate Settlement Agreement that is acceptable by the AEPCO Board of Directors, that each Class A Member has the option of bringing its respective rate issues before the ACC as an intervener in the rate application adjudication process; and

BE IT FURTHER RESOLVED, that AEPCO Staff is hereby directed to work expeditiously with all members to gain their approval of a Rate Settlement Agreement on or before December 1, 2009; and

BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes the Executive Vice President and Chief Executive Officer, or his designee, to sign or otherwise take any and all necessary actions which may be required to cause the rate application as defined herein to be filed with the ACC on or before the regulatory deadline of October 1, 2009.

I, Thomas N. Powers, do hereby certify that I am Secretary of AEPCO, and that the foregoing is a true and correct copy of the Resolution adopted by the Board of Directors at a **regular session** held on September 15, 2009.

(seal)

Secretary